Approved For Release 2000/04/18: CIA PDB83-00423Pe 2000090007-07 SEE BOTTOM OF PAGE FOR ADDITIONAL SPECIAL CONTROLS INFORMATION REPORT of the United States within the age Laws, Title 18, U.S.C. Secs. 793 and 794, the fig. of which in any manner to assion or revelation PREPARED AND DISSEMINATED BY CENTRAL INTELLIGENCE AGENCY 25X1A2g Iran SUBJECT Improved Economy 25X1A6a RESPONSIVE TO DATE OF INFORMATION (Date or dates, on or between which, 25X1A6a events or conditions described in report existed) Mar 55 THIS IS UNEVALUATED INFORMATION 25X1X 25X1X6 1. Cotton production is up, particularly around Meshed where a ginning press was bought. Increased production in this area is primarily due to the favorable prospects for improved transportation facilities. A railroad from Shahrud to Meshed is presently May 1955 under construction under the auspices of the seven-year plan. In the past, farmers in the Meshed area only grew enough cotton for local production due to the poor transportation facilities. 3. Iran is importing a great deal_more machinery than in past years, a considerable amount of it being of German Federal Republic manufacture. In this connection, Diesel engines of Deutz, MWM, and MAN manufacture are being used to power all of the ginning equipment we have sold to Iran. These Diesels are purchased from Germany \(\frac{FR}{FR} \) at a cost of approximately US\$11 thousand as compared to US\$18 thousand for similar Diesels of US manufacture. I also noticed that most of the new electric motors come from Germany \(\frac{FR}{FR} \) and are of AEG manufacture. - end -25X1A2g This mevaloated information is supplied for **the possible** interest of your analysts. It des not warrant dissemination by TYPE ACT-BATE INFO-TER-BATE ANEA JUN 15 1957 DISTRIBUTION STATE NAVY NO DISSEM ABROAD

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